

FIG. 1  
PRIOR ART

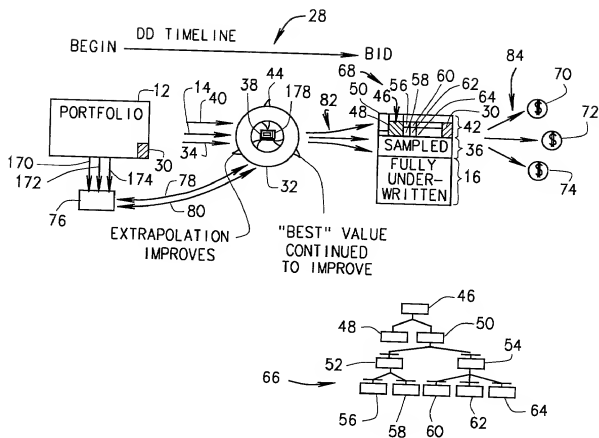


FIG. 2

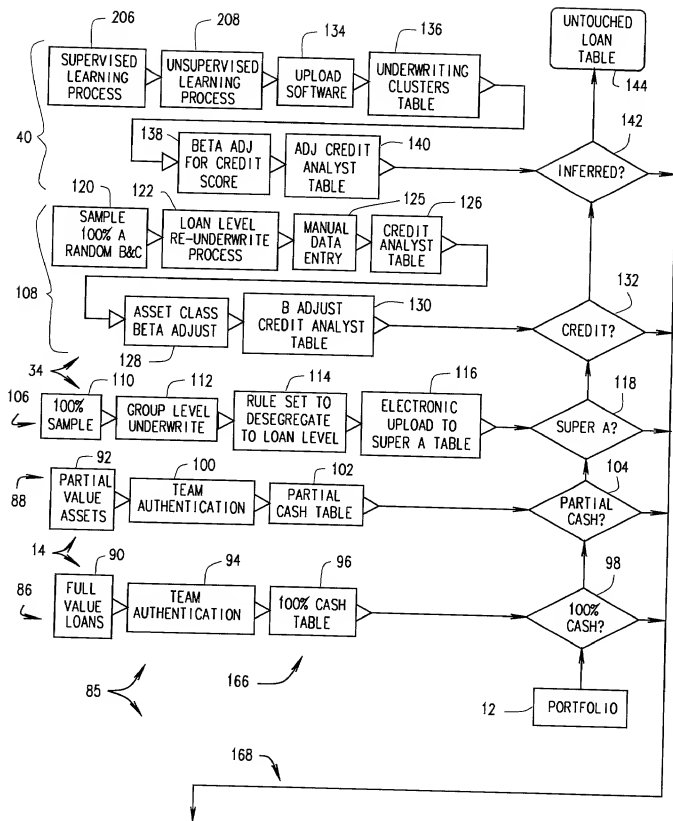


FIG. 3

FROM FIG. 3

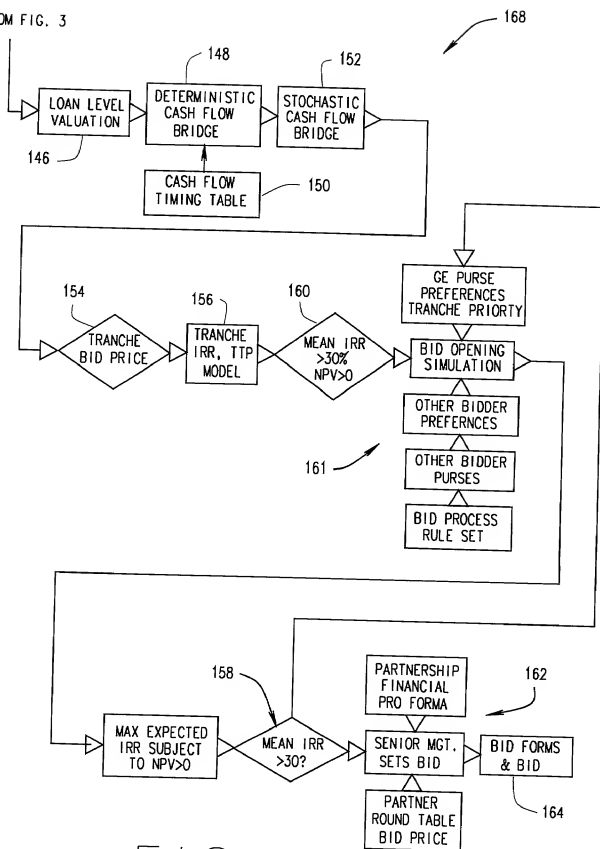


FIG. 4

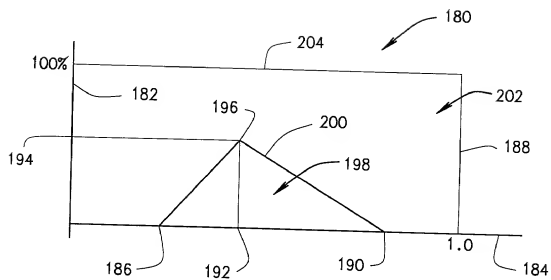


FIG. 5

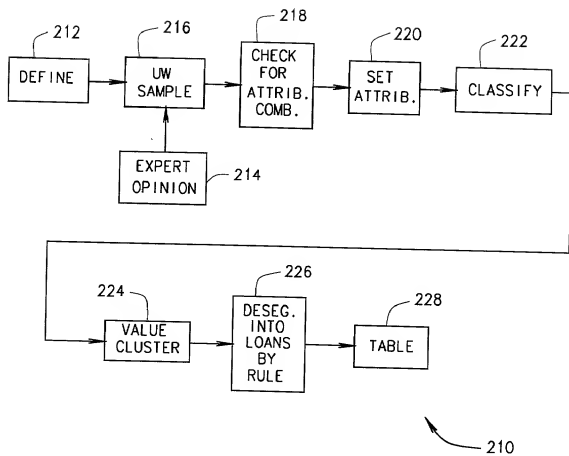


FIG. 6

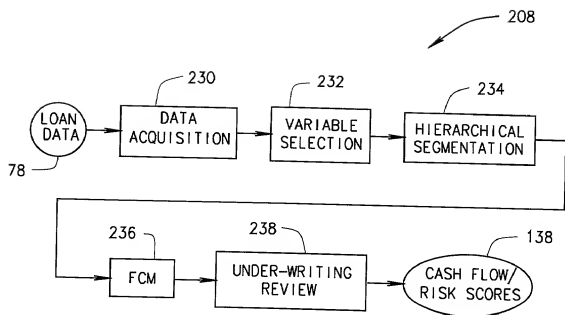


FIG. 7

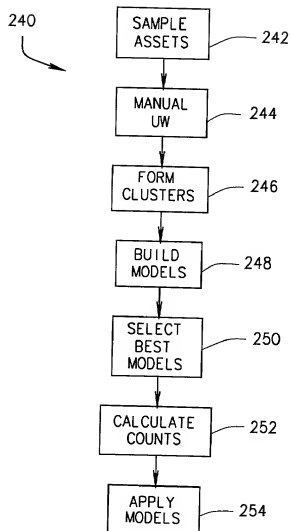


FIG. 8



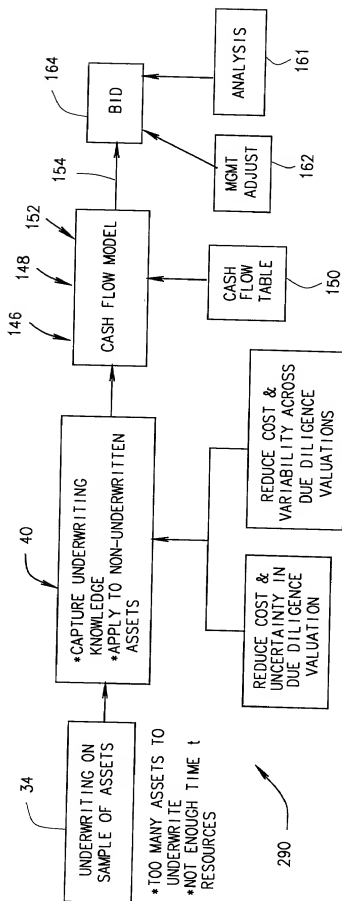


FIG. 9

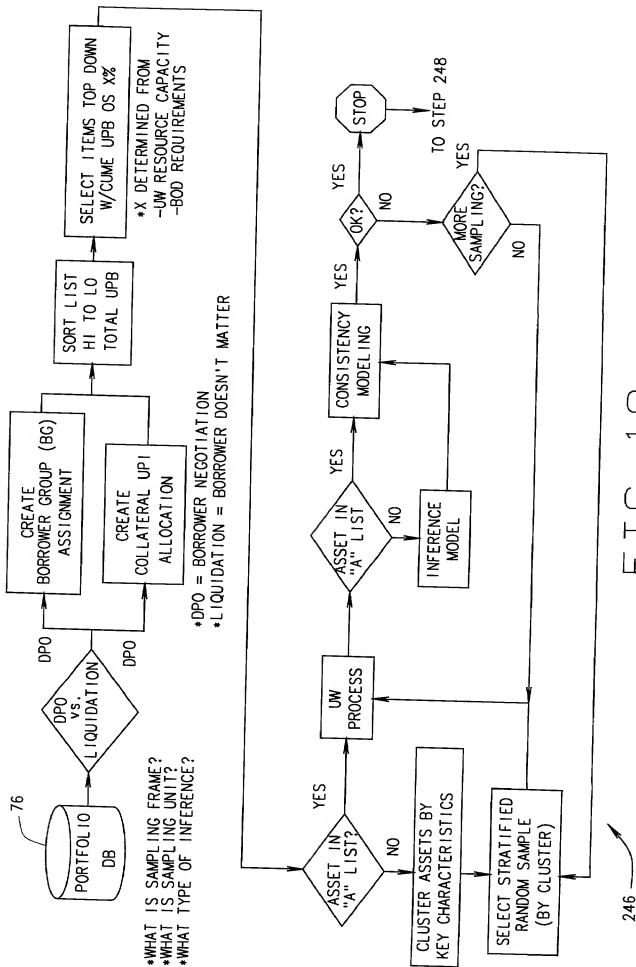


FIG. 10

6 MODELS BUILT:

- \*MODELS DIFFER BY WHICH VARIABLES USED
- \*UW ASSETS GET THE MINIMUM ERROR PREDICTION (ACTUAL-PREDICTED)

VARIABLES USED

- LAND AREA
- BLDG AREA
- OLD APPRAISAL
- GEN 1 PREDICTED CURRENT APPRAISAL
- GEN 1 PREDICTED REALIZED PRICE
- PROPERTY TYPE
- LOCATION
- BY-
- COM/RES
- GROUP (CLUSTER)

250

MODEL "WEIGHTS":

- \*EACH CELL IS COUNT OF TIMES THE MODEL PRODUCED BEST PREDICTION FOR UW ASSETS
- \*DETERMINES WEIGHTS FOR AVERAGING PREDICTIONS FOR NON-UW ASSETS

GROUP MODEL 1 MODEL 2 MODEL 3 MODEL 4 MODEL 5 MODEL 6 SUM

COURT AUCTION	1	13	13	13	8	32	87
	2	29	25	29	24	19	148
TOTAL							
COURT AUCTION RESIDENTIAL	1	5	5	10	4	12	51
	2	4	7	9	13	23	59
	3	2	15	11	13	8	53
TOTAL							
MARKET VALUE COMMERCIAL	1	16	13	11	15	21	86
	2	29	22	29	24	19	150
TOTAL							
MARKET VALUE RESIDENTIAL	1	5	8	4	11	12	51
	2	8	9	10	15	19	59
	3	6	16	5	20	2	54
TOTAL							

256

252

258

FIG. 11

248

BUILD MODELS

MODEL 1 MODEL 2 MODEL 3 MODEL 4 MODEL 5 MODEL 6

	X			X	X		
	X			X	X		
	X						X
	X	X	X	X	X		
	X	X	X	X	X		
	X	X	X				
	X	X		X			
	X						
	X	X	X	X	X	X	X
	X	X	X	X	X	X	X

VARIABLE	CATEGORY/VALUE RANGE	ENCODING SCHEME
LOAN SECURED	(YES, NO)	YES = 1, ELSE = 0
LOAN TYPE	(REVOLVING, NON-REVOLVING)	REVOLVING = 1 ELSE 0
LAST PAYMENT	(0, 250 MM)	0 IF LAST PAYMENT = 0 ELSE 1
NOTICE OF DEFAULT SENT		PRIOR TO JUN 97 EQUALS 1 ELSE 0
ORIGINAL MATURITY DATE		PRIOR TO JUN 97 EQUALS 1 ELSE 0
SYNDICATED LOAN	(YES, NO)	YES = 1, ELSE = 0
LOAN GUARANTEED	(YES, NO, NAV)	YES = 1, ELSE = 0
COLLECTION SCORE	(0, 1)	
LIEN POSITION	(-1, 0, 1)	1 IF LIEN POSITION = 1 ELSE 0
CURRENT UPD BALANCE/ORIGINAL BALANCE	(0, 2.9)	NORMALIZED TO (0, 1)
LAST PAYMENT TO INTEREST/LAST PAYMENT	(0, 1)	

138

FIG. 12

80

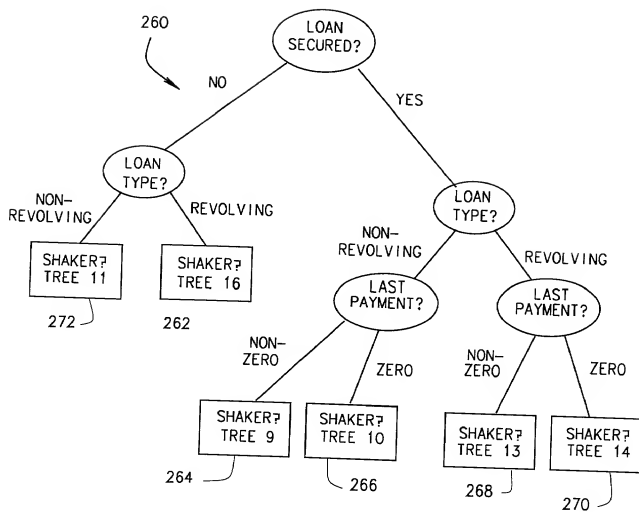


FIG. 13

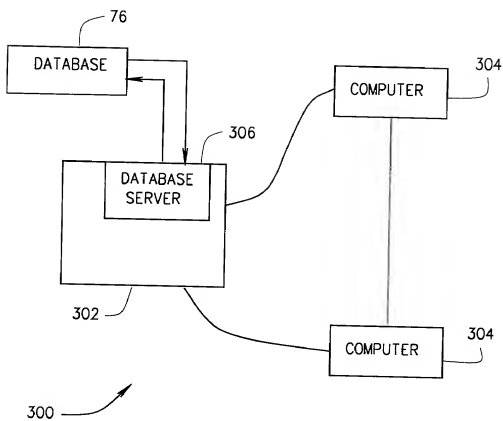


FIG. 14